CORN FUTURES MARKET
1961 - 62

COMMODITY EXCHANGE AUTHORITY

U. S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C.

Introduction

This report deals primarily with corn futures trading on the Chicago market during the 1961-62 corn marketing season. The utilization of the corn futures market by the grain trade increased greatly following the adoption of the 1961 Feed Grain Program, which was based on legislation enacted by the Congress in March 1961.

The effect of the Feed Grain Program on the composition and utilization of the corn futures market has been analyzed. The course of cash and futures prices from the beginning of the 1960-61 corn marketing season to the close of the 1961-62 season has also been studied, with reference to the impact of the program.

The study is concerned mostly with the changing commitments of small and large traders in corn futures throughout the 1961-62 season, but also includes an analysis of the market based on a survey of all traders' positions on the Chicago Board of Trade as of the end of September 1961.

The 1961-62 corn marketing season, in which CCC corn sales were large, was featured by the highest level of open contracts in corn futures on record. What was the significance of the high level of open contracts, and what function did the corn futures market serve in the marketing of corn during this period? The analysis in this report deals primarily with these questions.

CORN FUTURES MARKET, 1961-62

Summary

The greatly increased use of the corn futures market following the adoption of the 1961 Feed Grain Program facilitated the transfer of the cost of carrying large stocks of corn from the Government to the private grain trade.

The adoption of the Feed Grain Program in March 1961 was interpreted by predominant opinion in the futures market as indicating that there would be a substantial reduction in Government-owned corn stocks and overall supplies which had overshadowed the market in the late 1950's. This stimulated speculative buying of corn futures in the 1961-62 season which readily absorbed large hedging sales made by the grain trade to protect prices on corn purchased from the Commodity Credit Corporation.

The increased speculative trading and hedging in corn futures, influenced by the 1961 Feed Grain Program, expanded the size of the corn futures market on the Chicago Board of Trade from 98 million bushels of open contracts in March 1961 to an all-time record of 263 million bushels in early April 1962. Trading volume in the market increased from 2,580 million bushels in the 1960-61 marketing season to 4,971 millions in 1961-62.

The large public participation in the corn futures market, primarily on the buying side, developed substantial premiums for futures contracts maturing in March, May and July 1962. Premiums for these futures on September 30, 1961, as the marketing season opened, ranged above the Chicago cash price (No. 2 Yellow) by 2 1/2, 6 1/4 and 9 7/8 cents, respectively. On December 31, 1961, the premiums on the May, July and September 1962 futures ranged above the Chicago cash price by 2 1/4, 5 1/2 and 7 1/4 cents, respectively.

Such premiums created a favorable hedging basis for carrying corn. Grain elevators and grain trade firms could purchase corn offered for sale by CCC and be guaranteed at least a part of their carrying charges by hedging in futures. Large CCC stocks, so purchased in the October 1961-June 1962 period and carried forward for various periods, were hedged with sales in futures.

After the CCC sales program passed its peak, the corn futures market continued much larger than usual since there was additional speculative trading and hedging in connection with large corn supplies carried into the spring and summer of 1962 by the grain trade.

Public participation on the buying side of the corn futures market, by maintaining premiums for most futures over cash prices, constituted a strong price-supporting factor during most of the 1961-62 marketing season. As CCC stocks at terminal markets and country elevators were offered for

sale, elevators had the choice of purchasing and carrying such stocks, or having the corn shipped out of their houses. In this situation many elevators preferred to purchase and carry the CCC stocks influenced by the favorable hedging basis largely created by speculative buying. Thus, notwithstanding the increasing weight of hedging sales against purchases of CCC corn, terminal market prices of cash corn and corn futures held relatively firm in the October 1961-June 1962 period.

Speculative expectations that helped to support corn prices were influenced by the large disappearance and utilization of corn in the winter and spring of 1962. Factors in addition to CCC sales which contributed to the high rate of utilization were increased livestock feeding caused by cold winter weather, the low quality of corn harvested in areas of the Corn Belt which apparently increased feeding at the expense of commercial marketings, and corn exports substantially larger than in the previous season.

The Commodity Exchange Authority made a special survey of the positions of all traders in Chicago corn futures at the end of September 1961, when the size of the market was increasing rapidly, and the agency needed additional information for guidance in the regulation of the market.

The survey showed 4,800 individual traders in the market -- 9 out of 10 were relatively small speculators -- located in 49 States and 21 foreign countries. Traders in the North Central States, including most of the Corn Belt, were short on balance in the market and the rest of the country was net long.

Corn Futures Before the 1961 Feed Grain Program

In the years before the 1961 Feed Grain Program the utilization of the corn futures market by the grain trade was substantial, although limited by the effects of price support operations, increasing Government-owned stocks and mounting surpluses.

Total corn supplies increased successively from 4,266 million bushels in the 1955-56 marketing season to 5,893 millions in 1959-60. The largest factor in the supply situation was the mounting level of stocks impounded under Government price-support operations. Carryover stocks increased from 1,165 million bushels at the end of the 1955-56 marketing season to 1,799 millions at the end of 1959-60.[1] Of the latter amount, 91.7 percent was owned by the Government or under loan, and the percentage was subsequently revised upward.

As Government corn stocks and total supplies increased in the 5-year period, 1956-1960, prices of corn futures moved downward along with cash prices. Farmers delivering corn to the Government received the support price, but big crops and heavy supplies held market prices generally below the support level. As support prices were successively reduced in the 1956-1960 period, market prices fell to lower levels and the season average price received by farmers also declined.

The following tabulation shows, for the corn marketing seasons 1955-56 through 1959-60, the Government support price, the season average price received by farmers, the Chicago cash price, No. 2 yellow, and the high and low futures prices of the season on the Chicago Board of Trade.

	Support price	Price received by farmers	Chicago No. 2 Yellow	Chicago futures Highest	Chicago futures Lowest
		(Dollars per bushel)			
1955-56	1.58	1.35	1.35	1.60	1.23
1956-57	1.50	1.29	1.34	1.51	1.18
1957-58	1.40	1.11	1.30	1.36	1.08
1958-59	1.36	1.12	1.24	1.29	1.08
1959-60	1.12	1.04	1.19	1.22	1.07

Sources: USDA, Agricultural Statistics, 1961, for support price and prices received by farmers; ERS, Statistical Services Section, for Chicago cash price. Chicago cash and futures prices rounded to nearest whole cent.

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1. USDA, ERS, Feed Situation, November 1960.

The size of the corn futures market, in terms of open contracts, did not change greatly in the 1956-1960 period. The season average of open contracts on all markets ranged from about 55 million to 70 million bushels. Market activity, however, declined steadily during the 5-year period. This is shown in the following tabulation giving the annual average level of month-end open contracts and the total volume of trading on all contract markets in each marketing season 1955-56 through 1959-60.

Marketing season	Open contracts	Volume of trading
	(1,000 bushels)	
1955-56	69,387	2,521,610
1956-57	69,344	2,210,395
1957-58	54,656	2,020,308
1958-59	61,376	1,948,288
1959-60	63,547	1,572,198

The composition of the corn futures market in the 1956-1960 period is shown in table 1, in the appendix of this report, which gives the average commitments of small and large traders in each marketing season, 1955-56 through 1959-60.[2] The average of small traders' and large speculators' holdings were long on balance each season, and the average for large hedgers net short. This is a fairly typical pattern of traders' commitments in corn futures.

Hedging in the corn futures market, although sizable in the 1956-1960 period, was not large in relation to the great changes in corn production and commercial usage which had taken place in the years since World War II.[3] The relatively limited use of hedging, as compared with the greatly increased commercial utilization of corn, was attributed by the trade to large Government-owned supplies and attendant carrying costs borne by the Government. Hedging in the futures market in the 1956-1960 period was mainly by merchants and processors for protecting prices on "free supplies" of corn purchased from farmers in the open market.

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2. In corn, as in other regulated commodities, the general composition of the futures market is obtained regularly from reports to the Commodity Exchange Authority by exchange clearing members and large traders. Large (reporting) traders in corn, those holding 200,000 bushels or more in one future on one contract market, are required to report the amount of their trades and positions and whether speculative or hedging. The aggregate long and short positions of small traders are derived by subtracting the large-trader positions from the total open contracts (obtained from clearing members).

3. See particularly Malcolm Clough, "Movement of Feed Grains, Sales by Farmers and Commercial Disposition," in USDA, ERS, Feed Situation, July 1961, pages 24-33.

The utilization of the market for hedging free supplies was reflected by the seasonal pattern in both the total open contracts in the market and the major hedging component, i.e., the short hedging commitments of the large merchandisers and processors. These short hedging commitments increased in the fall and winter period of the marketing season, and then tended downward in the spring and summer months. In most seasons, including 1959-60, short hedging commitments increased from about 10,000,000 to 15,000,000 bushels at the beginning of the marketing season to a peak of some 35,000,000 to 50,000,000 bushels in the late fall or winter, and then declined generally until the beginning of the new marketing season.

In the late fall and winter of most years in the 1956-1960 period the corn futures market usually reflected "carrying charges," that is, the later-maturing futures of the marketing season selling above the earlier-maturing futures. Although such premiums on later-maturing futures are seldom if ever large enough to cover the full cost of carrying corn -- commonly cited in the trade as approximately 2 cents a month -- at times they may be sufficient to "earn" a substantial part of the carrying cost. Such premiums, when they appeared in the fall and winter months of the 1956-1960 marketing seasons, offered elevators, other merchandisers and processors an opportunity to earn carrying charges, at least for limited periods, by hedging their inventories with sales in futures. From November to July each year, cash prices tended to rise as free supplies were reduced, premiums on futures in the latter part of the marketing season diminished, and the hedging utilization of the futures market declined. In the spring and summer of each year in the 1956-1960 period, with the prospect of large corn production and continued heavy supplies in the ensuing crop year, the grain trade generally was not inclined to carry large hedged stocks into the later stages of the marketing season or from one crop year to another.

Cash and futures prices of corn were declining in October 1960 as another marketing season began with heavy production and record supplies. "The 1960-61 corn supply totals over 6.0 billion bushels ... 1.5 billion above the 1954-58 average," the 1961 Outlook Issue of the USDA Feed Situation reported on November 7, 1960. "The 4.3 billion bushels produced this year is expected again to exceed total utilization, and carryover is expected to increase to around 2.0 billion bushels on October 1, 1961."

"The total quantity of corn owned by CCC, or under loan, has increased steadily in recent years," the Outlook Issue continued, pointing out that practically all the increase in carryover from 1959 to 1960 was Government stocks. "Stocks of corn under the Government program on

October 1 [1960] are now estimated at about 1,650 million bushels, 255 million more than a year earlier."

	1958	1959 1/	1960 1/
		(Million bushels)	
Supply			
Carryover, October 1			
CCC owned or under loan	1,340	1,395	1,650
Estimated free supply	130	135	149
Production, imports	3,802	4,363	4,260
Total	5,272	5,893	6,059
Utilization			
Food and industrial uses	302	302	303
Exports	214	211	210
Livestock feed	3,226	3,581	3,546
Total	3,742	4,094	4,059
Ending stocks	1,530	1,799	2,000

1/ Preliminary.

Source: USDA, ERS, Feed Situation, November 1960, except carryover data on October 1, 1958, obtained from Feed Situation, November 1959.

Notwithstanding successive reductions in price support levels, corn placed under price support, and Government-owned stocks increased heavily in the 1958-59 and 1959-60 seasons. With the discontinuance of acreage allotments after the 1958-59 season, all corn producers became eligible for loans, and the quantity placed under price support increased from 380 million bushels in 1958-59 to 529 millions in 1959-60, with the prospect of further heavy impoundings under price supports in 1960-61.[4]

In the price decline of late October and November 1960, cash and "near" futures prices dropped about 10 to 15 cents a bushel. On November 21, the Chicago December future sold at $1.00 1/4, the lowest corn futures price in nearly 18 years. Chicago cash corn, No. 2 Yellow, sold as low as 93 1/2 cents during the month, and the average price received by farmers in November 1960 fell to 87 cents -- also an 18-year low. In November small traders and large speculators shifted from net short to net long, and in December prices recovered much of the lost ground. The price decline served, however, to focus farm and market opinion on the magnitude of the corn surplus problem, and the need for

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4. USDA, ERS, Feed Situation, May 1961.

measures to reduce the heavy stocks of Government-owned corn which were overshadowing the market.

Corn futures prices advanced sharply in late January and early February 1961, influenced by market opinion that a higher price support level would be adopted for 1961-crop corn, and that legislation would be enacted by the Congress to obtain substantial reductions in corn acreage and production. On February 6, 1961, all corn futures, both old-crop and new-crop, reached season highs -- also the highest levels attained in the life of all contracts then being traded -- the 1961 March future selling at $1.19 1/8, May $1.23 1/8, July $1.27, September $1.28 7/8, and December $1.26 3/4.

Speculative buying of corn futures contributed to this price advance, stimulated by rumors that the 1961 support level would be $1.30 a bushel, against $1.06 in 1960, aimed at acreage reductions up to 30 percent.[5] Prices reacted in the latter part of February 1961 and market activity slackened in the early part of March, as proposals for a 1961 Feed Grain Program were discussed in the press and in the Congress. The President's message to the Congress with recommendations for the program was released after the close of the market on February 16, 1961, and important provisions of the program were debated in the Congress over the ensuing weeks.

Adoption of the 1961 Feed Grain Program

The 1961 Feed Grain Program authorized by the Congress was approved by the President on March 22, 1961.[6] On the same day the Secretary of Agriculture announced a national average support price of $1.20 a bushel for 1961-crop corn, available to producers making specified acreage reductions under the program. Producers of corn and grain sorghums reducing their 1961-crop acreages by at least 20 percent became eligible for payments of 50 or 60 percent of the value of the production of the diverted acres, figured at the county support price. Payments would be governed by the size of the producer's base acreage in 1959 and 1960, and reduction in 1961, with half the payment immediately available to the producer in cash upon his declaration of intention to comply. Payment certificates would be issued by CCC, redeemable in cash or commodity. If the producer elected to receive the cash equivalent of the grain, the Secretary of Agriculture was authorized as the producer's agent to market from existing CCC stocks the quantity of grain covered by the certificates. Since authority was granted to finance certificate

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5. Wall Street Journal, January 31, February 6, 1961; Futures Market Service, Commodity Research Bureau, Inc., January 20, February 3, 10, 1961.

6. Public Law 87-5, 87th Congress; USDA, Feed Situation, April 1961; and USDA, Commodity Stabilization Service, "The 1961 Feed Grain Program," March 1961.

payments by selling existing stocks of CCC corn at market prices, above or below the support level, it was obvious that the CCC would sell large stocks in the open market.

Adoption of the 1961 Feed Grain Program created a sharp division in price opinion in the market. On the one hand there was the widespread expectation that the higher support level based on acreage reductions would substantially curtail supplies and strengthen prices. The contrary market opinion was based particularly on expectations that large CCC sales of Government-owned stocks to finance certificate payments to farmers would act as a brake on prices during the 1961-62 marketing season. Under the 1961 program CCC sales to finance certificate payments to farmers were not tied to the price support level as in the past, but could be made at market prices. Speculation concerning the possible price effects of CCC sales continued to be a major factor in market activity.

A serious question in market opinion at the time was whether the sign-up by producers under the program would be extensive. When the legislation was enacted it was already close to planting time. "Extensive participation in the feed grain program, however," the April 1961 issue of the Feed Situation pointed out, "could result in a substantial reduction in the 1961 crop and a smaller total supply than in 1960-61." Doubts whether producers would respond to the program were resolved by news in April and May 1961 that the sign-up for certificate payments based on acreage reductions was heavy. Cash and futures prices strengthened for the most part in April and May (see table 2), and additional speculative buying and short hedging came into the market.

The Corn Futures Market, March-September 1961

The increase in corn futures activity in the spring and summer of 1961 indicated much more than a passing speculative flurry. The size of the market in terms of open contracts became larger than in the latter part of any corn marketing season for many years. As may be seen in table 3, the buildup in open contracts in the March-September 1961 period reflected almost continuous monthly increases in commitments of small traders and large speculators. That the grain trade was using the futures market more extensively for protection against price risks was shown by large hedgers' short commitments, which did not reflect the usual seasonal decline but ranged from 55 to 65 million bushels until midsummer, or more than twice the levels of one year earlier.

Small traders held consistently to the buying side, their total long commitments increasing from about 50 million bushels in March to more than 70 millions in July, with their short commitments about half this level. Large speculators were long on balance as a group until late summer when their positions began to reflect a sharper division of price opinion, and in September large speculators shifted to the short side on balance by a small amount.

The largest addition to market size in the March-September 1961 period, however, and one which further indicated trade awareness of large price risks in corn, was the marked increase in spreading operations by large speculators. Of the 50-million-bushel net increase in corn futures open contracts in the March-September 1961 period, spreading between futures accounted for nearly 40 million bushels, or some 80 percent of the total. Speculators leaning to the view that corn prices under the Feed Grain Program would be higher in the earlier than in the later stages of the marketing season bought near futures and sold the more distant, hoping to profit from a widening of the spread. However, the contrary opinion was also strongly held, stimulating sales of near and purchases of distant futures. So closely matched were these conflicting speculative opinions that large-trader spreading positions in corn futures rose to a record level of more than 60 million bushels in November 1961, or 32.2 percent of total open contracts.

On September 30, 1961, total open contracts in corn futures, at 152,606,000 bushels, had increased almost steadily since the inception of the Feed Grain Program, and were three times the level of one year earlier. As may be seen in table 3, small traders had continued as net buyers, and on September 30 held long commitments of 66,678,000 bushels and short commitments of 49,832,000 bushels. Large speculators, as the new marketing season approached, had shifted from net long to net short, and held long commitments of 14,030,000 bushels and short commitments of 15,320,000 bushels. As already pointed out, however, the greatest aggregate of large speculative commitments consisted of spreading positions, amounting to 50,910,000 bushels. The hedging commitments of large traders were 20,988,000 bushels long and 36,544,000 bushels short. Although the large-trader short hedging commitments were at a seasonal low reflecting limited free supplies before the new marketing season began, they were still more than twice the level of one year earlier.

CEA Survey of Corn Futures, September 1961

Further information on the composition of the unusually large corn futures market at the beginning of the 1961-62 marketing season was obtained from a special survey made by the Commodity Exchange Authority as of the end of September 1961.[7] The survey showed for each account in corn futures on the Chicago Board of Trade the name, address, occupation and amount of the trader's commitments, and provided additional basic

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7. Although the aggregate positions of long and short small traders in corn futures are known to the CEA from day to day, being derived by subtracting large-trader positions from total open contracts, it is not known whether small-trader positions are speculative or hedging except when the CEA makes a survey of the positions of all traders in the market.

information for the guidance of the agency's regulatory work in the market during the ensuing months.

The number of traders in Chicago corn futures, as shown by the CEA survey, and amount of their positions, classified as speculative and hedging, were as follows:[8]

Classification	Number of traders	Positions Long (1,000 bushels)	Positions Short (1,000 bushels)	Percent of traders	Percent of positions Long	Percent of positions Short
Speculative	4,456	127,269	107,621	92.1	81.9	69.2
Hedging	381	28,188	47,796	7.9	18.1	30.8
Total	4,837	155,457	155,417	100.0	100.0	100.0

The survey thus showed 4,837 traders in the Chicago corn futures market. The number with accounts classified as speculative was 4,456 and with positions classified as hedging, 381. By determining the speculative and hedging classifications of small as well as large traders, the survey showed that speculative positions accounted for 81.9 percent of the long side of the market and 69.2 percent of the short side. Positions classified as hedging accounted for the remaining, and smaller, proportion of the market.

The survey also showed that 9 out of 10 of the numerous small traders in the market were speculators, with predominantly long positions. The survey thus confirmed indications of increased public participation on the buying side of the market, and this was further attested by survey information showing that traders in corn futures were located in 49 States and 21 foreign countries, and were distributed in a wide variety of occupations. See tables 6, 7, 8 and 9.

The survey also showed that the amount of small-trader positions classified as hedging was relatively small, and did not substantially change the hedging picture obtained from the regular, large-trader

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8. Classification of traders' positions as speculative or hedging is as reported by futures commission merchants and exchange clearing members. Difference between total contracts long and total short is due to unsettled differences between exchange clearing firms. Open contracts, as shown by the survey, somewhat exceed the amount for September 30, 1961, compiled from daily reports of exchange clearing members, as shown in table 3, because the survey covered all accounts carried by futures commission merchants including the aggregate amounts, long or short, of some accounts which ordinarily are reported as net long or net short positions by clearing members.

reports to the CEA, namely, that the hedging participation in corn futures at the beginning of the marketing was seasonally low.

Corn Futures and CCC Sales, October-December 1961

On October 1, 1961, despite the large corn crop to be marketed and the prospect of increased CCC sales, the futures market continued to reflect traders' expectations that over the long run corn supplies would be reduced as a result of the Feed Grain Program. These expectations helped to maintain continued premiums for the more distant corn futures over the near (December) future. This may be seen in table 2 and chart 1.

Thus, the price pattern in corn futures at the beginning of the 1961-62 marketing season provided a favorable hedging basis for carrying corn. In other words, grain elevators, merchandisers and processors were offered the opportunity of carrying corn protected by hedging sales in futures showing premiums which would enable them to earn a part of the cost of carrying the grain to later stages of the marketing season.

The favorable hedging basis was indicated by the following corn prices as of the end of September 1961: Chicago cash corn, No. 2 Yellow, $1.11 1/2 a bushel; the 1961 December future, $1.09 1/4; and the 1962 March, May and July futures, $1.14, $1.17 3/4, and $1.21 3/8, respectively. Thus, the premiums of the later-maturing futures over the cash price had an upward range of 2 1/2, 6 1/4, and 9 7/8 cents. As long as such premiums for the later-maturing futures continued they would furnish an inducement to the private grain trade to purchase surplus corn and carry it in storage, notwithstanding changes in price level.

In this situation, as sales of corn by the Commodity Credit Corporation increased in the October-December 1961 period, there was a concurrent rise in corn futures open contracts -- and a much sharper increase in short hedging commitments, reflecting the takeover and hedging of corn by elevators, other merchandisers and processors.

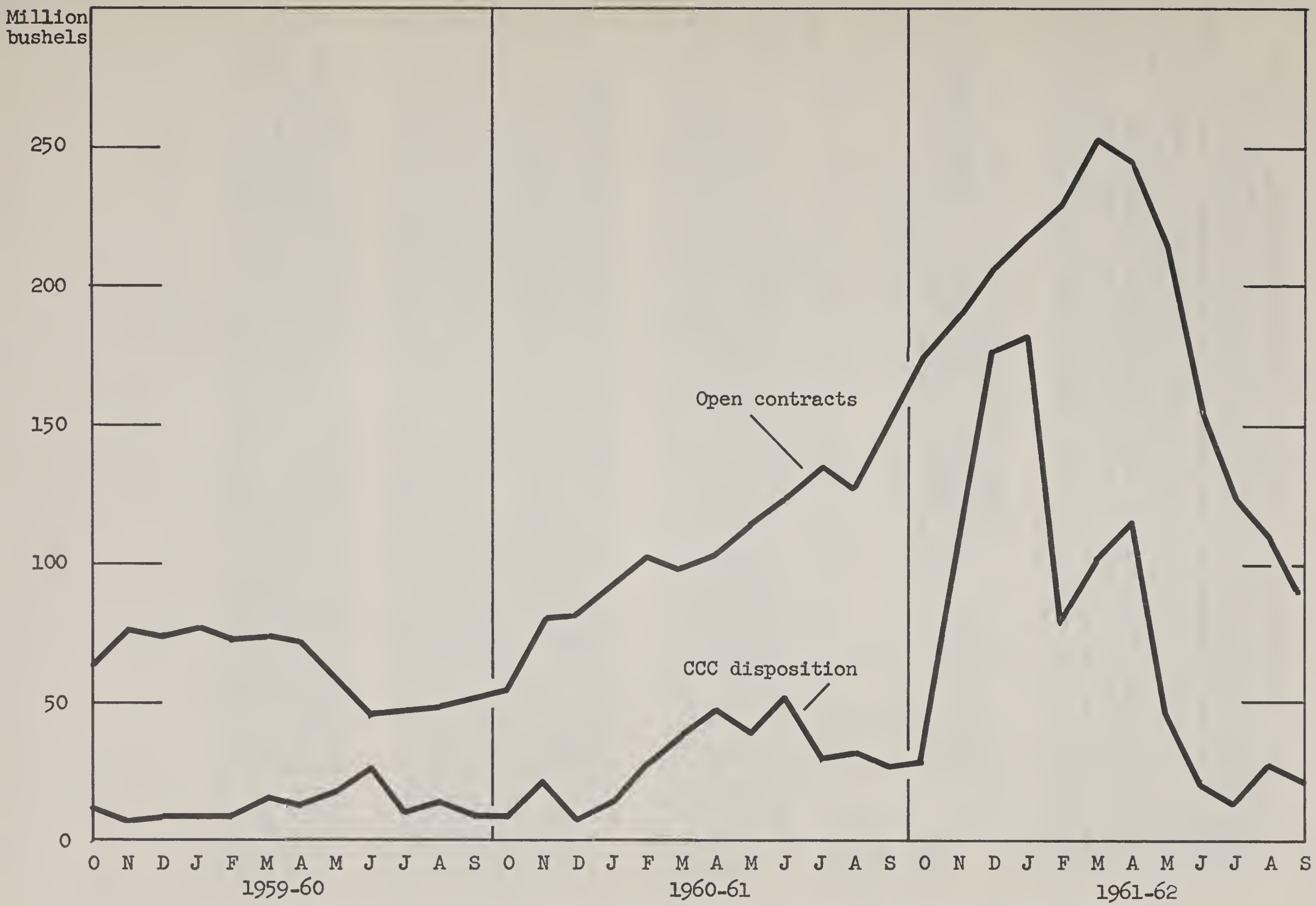
As shown in table 4 and chart 2, the rate of corn sales by CCC increased sharply during this period. Sales and dispositions rose from 28.5 million bushels in October to 107.3 million bushels in November, to 175.9 million bushels in December, or a total for the quarter of 311.7 million bushels. The amount of corn sold by CCC into private trade channels was far larger than in any earlier comparable period.

Meanwhile, the level of short commitments of large hedgers in corn futures almost tripled in the October-December 1961 period. Such short hedging commitments rose in the Chicago futures market from 36,544,000 bushels at the beginning of October 1961 to 99,696,000 bushels at the end of December 1961, and continued upward in January 1962.

Chart 1. Corn: Closing prices of the near and far distant futures on the Chicago Board of Trade, semimonthly, and price received by farmers,* 15th of each month, crop years 1960-61 and 1961-62

* Source: USDA, AMS, Agricultural Prices.

Chart 2. Corn: Month-end open contracts on the Chicago Board of Trade and CCC disposition of corn for all purposes,* crop years 1959-60, 1960-61, and 1961-62



* CCC dispositions are totals for each month. Source, USDA, AMS, Grain Market News.

That the increase in large hedgers' short commitments was the most outstanding change in market composition in the October-December 1961 period is further reflected in the tabulation below, derived from table 3, showing the monthly amounts of net increase (+) or decrease (-) in long and short commitments of small traders, large speculators, and large hedgers. Large hedgers' short commitments, in the extreme right column, increased 4,094,000 bushels in October, 23,468,000 in November and 35,590,000 in December. The tabulation also shows how during this period small traders and large speculators increased their long commitments and decreased their short commitments, thus absorbing the heavy weight of hedging sales coming into the market.

	Small traders		Large speculators				Large hedgers	
			One side only		Spreading			
1961	Long	Short	Long	Short	Long	Short	Long	Short
	(In millions of bushels)							
Oct. 31	+ 1.2	+ 8.6	+ 2.7	- 0.4	+ 9.7	+ 9.7	+ 8.4	+ 4.1
Nov. 30	+ 15.7	- 7.0	+ 1.4	- 1.8	+ .4	+ .4	- 2.5	+ 23.4
Dec. 31	+ 10.5	-10.6	+ 7.8	- 5.3	- 3.1	- 3.1	+ 1.4	+ 35.6

While an increasing level of short hedging commitments during the fall and winter of the corn marketing season is a normal seasonal development, the rapid and pronounced rise in such commitments in October-December 1961 stemmed from the large movement of corn into private trade channels, resulting primarily from sales of corn by CCC under the 1961 Feed Grain Program.

Public participation on the buying side of the corn futures market was a strong price-supporting factor during the October-December 1961 period. Earlier fears that large CCC sales would depress corn prices did not materialize. Heavy speculative buying maintained premiums for later-maturing futures and helped to provide a continuing favorable hedging basis for carrying corn. As CCC stocks at terminal markets and country elevators were offered for sale, elevators had the choice of purchasing and carrying such stocks, or having the corn shipped out of their houses. In this situation many elevators preferred to purchase and carry the CCC stocks, influenced by the favorable hedging basis in futures.

That the hedging basis continued favorable on December 31, 1961, is indicated by the following prices derived from table 2: Chicago cash corn, No. 2 Yellow, $1.11 3/4; the 1962 March future, $1.10 3/4; and the 1962 May, July, and September futures, $1.14, $1.17 1/4 and $1.19, respectively. The premiums for the later-maturing futures over the cash price had an upward range of 2 1/4, 5 1/2 and 7 1/4 cents.

The Market at Record Size, January-March 1962

In the January-March 1962 period, speculative trading and hedging in Chicago corn futures increased heavily, and the buildup in the size of the market became even more pronounced than in October-December 1961. Trading volume, which had increased at a steady but moderate rate in the earlier quarter, accelerated sharply from January to April 1962. This may be seen in table 5. The total open contracts in Chicago corn futures rose from 206,239,000 bushels at the beginning of January 1962 to 252,621,000 bushels at the end of March, and on April 6 reached an all-time record of 262,836,000 bushels.

This happened concurrently with continued large sales of CCC corn stocks, largely to finance certificate payments to farmers. Total CCC dispositions reached an all-time monthly peak of 180,600,000 bushels in January 1962, slackened in February, but increased again in March, so that the total dispositions for January-March 1962 were a record of 360,900,000 bushels.

Cash and futures prices weakened for the most part in January-February 1962, not unlike similar declines during the winter of many previous years. Notwithstanding the continued premiums of later-maturing futures over the cash price and the near future, the question remained whether the market would strengthen and move upward, beginning in late February or March, as had happened in most previous years. Considerable market opinion held that heavy CCC sales and other factors would delay or possibly reverse the usual spring and early summer advance in corn prices.

Against such bearish opinion, however, there were accumulating speculative expectations that corn prices would go higher. Corn disappearance in October-December 1961 had been a record for any quarter, and heavy utilization continued in January-March 1962. Factors in addition to CCC sales which contributed to the high utilization were increased livestock feeding caused by cold winter weather, the low quality of corn harvested in areas of the Corn Belt which apparently increased feeding at the expense of commercial marketings, and corn exports in the October-May period which increased substantially compared with the corresponding period of the previous season.9

Speculative expectations of higher prices were also stimulated by the prospect that corn production in 1962 would continue at approximately the reduced level of 1961. This was indicated by the announcement in January of another Feed Grain Program for 1962 which continued the $1.20 support price and certificate payments based on acreage reductions --

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9. USDA, Feed Situation, May 1962.

virtually unchanged from the previous year -- and the subsequent news that the producer sign-up under the 1962 program would be as large or larger than in 1961.[10]

With the prospect that the corn acreage under the 1962 Feed Grain Program would continue near the reduced level of 1961, speculative opinion gave much attention to the vulnerability of the 1962 crop to any weather setbacks that might occur, and the possibility of a tight supply situation in the late spring and summer of 1962. In February and March 1962 private market forecasters who had earlier predicted lower prices turned bullish. Prices of cash corn and all futures moved upward, and an avalanche of speculative buying orders decended on the Chicago corn futures market. As may be seen in table 5, the heaviest trading was in the July 1962 future, with sustained activity also in the 1962 September and December futures.

The two outstanding forces in the January-March 1962 buildup of open contracts were the heavy inflow of buying orders from the general public and the increased short hedging commitments of large traders. The increased public participation was reflected primarily in the long positions of small traders. The major hedging in the market was the short commitments of large merchandisers and processors.

These two major components of the market's composition both increased -- and almost simultaneously -- from approximately 100,000,000 bushels to 150,000,000 bushels in the January-March 1962 period. The small-trader longs and the large-hedger shorts not only increased their aggregate commitments, but also very substantially increased their respective proportions of the total market. On the long side the proportion of total open contracts held by small traders increased from 45.6 to 59.1 percent, and on the short side the large hedger proportion went up from 48.3 to 59.4 percent.

That the increases in small-trader long positions and large-hedger short positions were the most outstanding changes in market composition, particularly in January and March 1962, is shown in the tabulation below, derived from table 3. The tabulation shows the monthly amounts of net increase (+) or decrease (-) in long and short commitments of small traders, large speculators and large hedgers.

	Small traders		Large speculators				Large hedgers	
			One side only		Spreading			
	Long	Short	Long	Short	Long	Short	Long	Short
	(In millions of bushels)							
1962								
Jan. 31	+17.7	+ 5.6	+ 2.4	- 1.1	-14.7	-14.7	+ 7.0	+22.6
Feb. 28	+12.1	+12.8	- .2	- 2.6	- 1.2	- 1.2	- .3	+ 1.4
Mar. 31	+25.4	+ 4.7	+10.9	- .6	- 6.9	- 6.9	- 5.8	+26.4

10. Ibid., February and May 1962.

The large additions in small-trader long positions are shown in the extreme left column of the tabulation, and those in large-hedger short commitments on the extreme right. The tabulation also shows that small traders increased their short commitments, particularly in February as prices more or less marked time, but that large speculators shifted more heavily on balance to the long side, particularly during March as prices advanced. There was a marked decline in spreading positions of large speculators in the period.

One reason for the heavy purchases of CCC corn in the January-March 1962 period, according to trade opinion, was that many elevators wished to hold CCC stocks in their houses, or to avoid making deliveries on futures contracts from stocks already owned, in view of the continuing favorable carrying-charge situation in futures. Throughout the January-March period, with speculative buying maintaining substantial premiums for the 1962 May and July futures -- the 1962 May future sold over the 1962 March future, and the July future over the May future, by 3 to 4 cents most of the time -- the prospect for carrying supplies at a minimum cost was attractive. That many elevators did not wish to give up corn was further attested in the settlement of the 1962 March future, which in its final period of trading strengthened along with other futures and the cash price, with relatively light deliveries on the contract.

Market Composition, April-September 1962

The Chicago corn futures market continued at near record size in the April-June 1962 period. Small traders and large speculators maintained large aggregates of net long positions in April and May, and large-trader short hedging commitments continued at levels not much below the March peak. Open contracts were two to three or more times greater than in the April-June periods of the 1956-1961 seasons. CCC continued to sell large quantities of corn in April, and total dispositions did not decline sharply until May and June. It became apparent, as a later issue of the Feed Situation pointed out, that substantial quantities of corn were carried over by the trade into the last half of the marketing year,[11] and thus the large hedging utilization of the market continued into the late spring and early summer of 1962.

With the CCC sales program virtually completed by the end of June 1962, it remained to be seen whether the corn futures market could maintain price stability and effective hedging services in the liquidation of the heavy load of open contracts continuing in the market. The price risks and the attendant carrying charges on more than 850,000,000 bushels of corn sold by CCC in the 9-month period, October 1961-June 1962, had passed into the hands of elevators, other

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11. Feed Situation, November 1962.

merchandisers, and processors. Of this amount, 600 million bushels were sold domestically by CCC to finance certificate payments under the 1961 Feed Grain Program.[12] Elevators and others purchasing corn stocks from CCC shifted large amounts of price risks to speculative buyers in the futures market. Although heavy trading in futures continued until the expiration of the 1962 July future, the liquidation of the May and July contracts was accomplished without sharp price repercussions. In contrast to the relatively light deliveries in settlement of the March contract, deliveries on the May and July contracts were heavy. Prices held steady, however, during the delivery months of both these contracts.

As of October 1, 1962, the estimated carryover of corn was 1.6 billion bushels down 400 million bushels as compared with one year earlier. Most of the decrease was accounted for by the reduction in stocks owned by CCC or under loan, amounting to 385,000,000 bushels under the 1961 Feed Grain Program.

	1960	1961 1/	1962 1/
		(Million bushels)	
Supply			
Carryover, October 1			
CCC owned or under loan	1,675	1,885	1,500
Estimated free supply	112	123	113
Production, imports	3,909	3,626	3,513
Total	5,696	5,634	5,126
Utilization			
Food and industrial uses	301	321	318
Exports	276	415	330
Livestock feed	3,111	3,285	3,328
Total	3,688	4,021	3,976
Ending stocks	2,008	1,613	1,150

1/ Preliminary

Source: USDA, Feed Situation, November 1962.

In summary, futures trading in the 1961-62 season on the Chicago Board of Trade amounted to 4,971 million bushels, nearly twice the 2,580 million bushels traded in the 1960-61 season. During 1961-62, the market expanded to an all-time record of 263 million bushels of open contracts, reached in April 1962. Throughout most of the season, hedging in the futures market was at a higher level than in recent years as the grain trade made large hedging sales to protect prices on corn purchased from the CCC. Data on corn futures indicated very substantial use of the corn market as the season ended on September 30, 1962.

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12. Feed Situation, July 1962.

APPENDIX

The CEA Survey of the Corn Futures Market, September 1961

Data from the CEA survey of all traders' positions in corn futures on the Chicago Board of Trade as of the end of September 1961 are summarized in tables 6 through 9 of this report.

Traders' Holdings by Size Groups

Tables 6 and 7 show the distribution of speculators and hedgers, and their positions, in five size groups from 1,000-4,000 bushels, to 500,000 bushels and over.

Speculative traders in the size group 5,000-49,000 bushels were the most numerous. The 3,518 speculators in this size group constituted 72.7 percent of total traders in the market. Speculators with positions of 500,000 bushels and over numbered only 44, less than 1 percent of all traders in the market, but held larger aggregate positions than any other size group.

Unlike speculators with positions below 500,000 bushels who were heavily net long, speculators in the 500,000 and over group were nearly equally divided between the long and the short side of the market, with 50.3 million bushels long and 51.8 million bushels short. Positions for this group represented 32.3 percent of the long side of the market and 33.3 percent of the short side of the market.

Traders classified as hedgers also were most numerous in the size group 5,000-49,000 numbering 246, or 5.1 percent of total traders in the market. As was true of speculators, hedgers in the size group 500,000 bushels and over were few, numbering only 28, but they held the bulk of the hedging positions. Hedgers in this group were net short, holding short commitments of 36.8 million bushels, or 23.7 percent of total open interest, and long commitments of 21.3 million bushels, or 13.7 percent of total open interest. Hedgers with positions under 500,000 bushels were also net short in the market.

Occupations of Traders

Table 8 shows the occupational distribution of traders in Chicago corn futures at the end of September 1961. In general the industry group, particularly grain elevators, merchandisers, exporters, and processors, primarily held hedging positions. Hedgers in the industry group were heavily short with aggregate positions of 47.6 million bushels short and 26.5 million bushels long. Speculation by the industry group was more equally divided between long and short with aggregate positions totaling 6.4 million bushels long and 7.1 million bushels short. Table 8 also lists the occupations of other traders, altogether some 4,300, nearly all

speculators, who accounted for the greater part of both the long and the short sides of the market. Ranking first were 598 farmers and farm managers, followed by 377 retired persons and 309 persons classified as manufacturers, wholesale food proprietors, etc. These and most other occupational groups were long on balance in the market. Occupational groups with large holdings net short included floor traders, professional speculators, and commodity and investment counselors.

Geographic Distribution

As shown in table 9, the traders in corn futures were located in 49 of the 50 States (Alaska none), the District of Columbia, Puerto Rico and 21 foreign countries. The greatest concentration of traders and positions was in the North Central States, with such leading corn producing and processing areas as Illinois, Iowa and Missouri having numerous contingents of traders and large aggregate commitments. Almost half of the traders were located in the North Central States, and their positions constituted approximately two-thirds of both the total long and the total short positions in the market on the survey date. The Corn Belt as a whole was short on balance in the market, and the other States and areas, taken together, were net long. Speculative positions predominated in most areas. The largest aggregate of hedging positions was held by traders in Chicago, the principal corn terminal market.

Table 1. Corn futures: Annual average of month-end long and short commitments of reporting and nonreporting traders on all contract markets, marketing seasons 1955-56 through 1959-60

(In thousands of bushels)

Marketing season	Total open contracts	Nonreporting (small) traders' speculative and hedging commitments 2/		Reporting (large) traders' commitments 1/ classified by them as:					
				Speculative				Hedging	
				Long or short only		Long and short (spreading)			
		Long	Short	Long	Short	Long	Short	Long	Short
1955-56	69,387	40,134	21,307	13,298	3,540	11,258	11,258	4,697	33,282
1956-57	69,344	36,114	19,577	10,796	2,481	9,177	9,177	13,257	38,109
1957-58	54,656	25,149	19,557	4,733	3,194	8,284	8,284	16,490	23,621
1958-59	61,376	27,612	26,808	5,009	2,795	10,740	10,740	18,015	21,033
1959-60	63,547	29,972	22,393	6,517	4,273	7,906	7,906	19,152	28,975

1/ Reporting traders are persons subject to reporting requirements under the Commodity Exchange Act.
2/ Derived by subtracting reporting traders' commitments from total open contracts.

Table 2.--Corn: Closing futures prices, Chicago Board of Trade, and cash price, No. 2 Yellow on track at Chicago, semimonthly, September 30, 1960 - September 28, 1962

(In cents per bushel)

Date	FUTURE														Cash No. 2 Yellow
	1960 Dec.	1961 Mar.	1961 May	1961 July	1961 Sept.	1961 Dec.	1962 Mar.	1962 May	1962 July	1962 Sept.	1962 Dec.	1963 Mar.	1963 May	1963 July	
1960															
Sept. 30	109 1/4	113 1/2	116 1/2	118 3/4b											113
Oct. 14	108	112	115	117 1/2											112 3/8
31	107 3/4	112 5/8	115 5/8	117 5/8											103
Nov. 15	103	108	111 3/4	115	113 3/4a										96 1/2
30	103 1/4	108 3/4	112 1/2	115 1/4	114										98 1/2
Dec. 15	103 7/8	109	112 1/2	115 1/8	113 1/2										104 1/2
30		109 1/4	113	116	115 1/4										110
1961															
Jan. 13		111 3/4	115 3/8	118 3/4	119	116 1/8									110 7/8
31		115 1/4	119 1/2	123	124	122 1/8									116 1/2
Feb. 15		115 1/4	119 3/4	123 5/8	125 1/4	123 1/2									114 3/4
28		114 1/4	118 1/2	121 7/8	122 1/4	119									112 3/4
Mar. 15		114 1/2	117 3/4	120 7/8	120 1/2	117 1/2									117 1/4
30			109	112 1/2	114 1/2	114 3/4									106 1/2
Apr. 14			109	112 3/4	114 1/2	117	121								109 1/2
28			112	116 3/8	118 1/2	120 3/8	124								115 1/4
May 15			114 1/2	117 1/2	120 1/4	123 1/4	127								115 3/4
31				116 1/4	118 7/8	121 1/2	125 1/2								115 3/4
June 15				114	117 3/8	119 1/2	123 7/8	126 7/8							113 1/4
30				113 1/2	117 1/8	120 1/2	125 1/2	128 5/8							113 3/4
July 14				114 1/8	117	120 1/2	124 3/4	127 5/8							115 1/2
31					113 1/2	117	121 7/8	125							113 3/4
Aug. 15					112 3/4	116 5/8	120 3/4	123 3/4	126 1/2						115
31					109 1/4	113 1/2	118 1/4	121 7/8	125 1/8						112
Sept. 15					106 1/4	111	115 7/8	119 5/8	123 1/8						110 3/4
29						109 1/4	114	117 3/4	121 3/8						111 1/2
Oct. 13						110 7/8	115 3/4	119 1/2	123	124 1/4					114
31						108 1/4	113 1/2	117 1/4	120 5/8	121 5/8					111 3/4
Nov. 15						110 1/2	114	117 1/2	120 1/2	120 5/8					113
30						109 3/4	113	115 7/8	118 3/4	120					113 3/4
Dec. 15						107 3/4	110 3/4	114	117	118 7/8					111 3/4
29							110 3/4	114	117 1/4	119					111 3/4
1962															
Jan. 15							107 1/4	111	114 1/4	115 3/4	113 3/4				108 1/2
31							107 1/2	111 1/4	114 3/4	116 1/2	116 1/4				110 3/4
Feb. 15							106 1/8	110	113 1/2	115 3/4	115 7/8				110 1/8
28							105 1/2	109 1/4	112 3/4	115 3/4	115 7/8				109 5/8
Mar. 15							108 1/2	110 1/2	114	116 3/4	117 5/8				112 3/8
30								114 3/4	118 1/4	119 1/2	119				116 7/8
Apr. 13								111	114 3/8	117 1/4	117	120 3/4			111 3/4
30								111 1/4	115 1/4	117 3/4	117 7/8	121 3/4			113 3/8
May 15								112 1/8	114 3/4	117 1/4	118 1/2	122 1/2			116
31									114 1/2	116 1/4	116 1/8	119 3/4			117 1/4
June 15									111 1/4	113	112 3/4	116 1/4	118 1/4		115 1/4
29									111 3/4	113	112 1/2	116 1/4	118 1/4		116 3/8
July 13									109 1/2	110 1/2	111 1/4	114 3/4	117 3/8		114
31										108	108 5/8	112 1/4	114 5/8		112 1/2
Aug. 15										108	107 1/2	110 7/8	113 1/2	116 1/4	113 1/4
31										106	107	110 3/4	113 1/2	116	110 1/4
Sept. 14										108	107 1/2	111 1/4	113 1/2	115 3/4	112 3/4
28											107 1/4	110 3/4	113 1/2	115 1/2	113 1/4

b - bid price; a - asked price.
Source: Cash prices, Grain Division, AMS

Note: When prices close on a range, an average of the range is shown.

Table 3.--Corn futures: Total open contracts, commitments of reporting (large) and nonreporting (small) traders, and commitments as percent of open contracts, Chicago Board of Trade, end of month, September 30, 1960 - September 30, 1962

Date	Total open contracts	Nonreporting (small) traders' speculative and hedging commitments 2/		Reporting (large) traders' commitments 1/ classified by them as:					
				Speculative				Hedging	
				Long or short only		Long and short (spreading)			
		Long	Short	Long	Short	Long	Short	Long	Short
	In thousands of bushels								
1960									
Sept. 30	50,569	14,826	21,754	1,973	8,455	6,080	6,080	27,690	14,280
Oct. 31	54,299	17,424	17,234	2,945	3,320	6,670	6,670	27,260	27,075
Nov. 30	78,818	29,663	12,772	5,565	3,916	7,260	7,260	36,330	54,870
Dec. 31	81,320	30,505	10,989	7,839	3,860	6,731	6,731	36,245	59,740
1961									
Jan. 31	92,439	39,272	16,032	13,820	1,700	10,717	10,717	28,630	63,990
Feb. 28	102,994	53,359	23,323	12,105	1,070	11,735	11,735	25,795	66,866
Mar. 31	97,860	51,785	25,394	11,705	3,300	12,415	12,415	21,955	56,751
Apr. 30	103,474	58,958	24,857	13,385	3,039	14,751	14,760	16,380	60,818
May 31	114,246	65,449	28,008	19,543	3,875	18,284	18,286	10,970	64,077
June 30	122,712	65,321	31,248	20,775	3,876	27,286	27,285	9,330	60,303
July 31	135,100	71,010	31,945	19,251	11,065	33,406	33,404	11,433	58,686
Aug. 31	127,760	65,287	35,667	15,685	11,200	38,250	38,250	8,538	42,643
Sept. 30	152,606	66,678	49,832	14,030	15,320	50,910	50,910	20,988	36,544
Oct. 31	174,544	67,842	58,428	16,763	14,896	60,582	60,582	29,357	40,638
Nov. 30	189,589	83,560	51,417	18,193	13,100	60,966	60,966	26,870	64,106
Dec. 31	206,239	94,049	40,879	26,031	7,810	57,854	57,854	28,305	99,696
1962									
Jan. 31	218,660	111,733	46,478	28,476	6,748	43,186	43,186	35,265	122,248
Feb. 28	229,054	123,845	59,319	28,286	4,096	42,011	42,011	34,912	123,628
Mar. 31	252,621	149,233	64,057	39,203	3,451	35,127	35,123	29,058	149,990
Apr. 30	245,251	148,014	57,444	41,088	4,485	34,050	34,052	22,099	149,270
May 31	214,400	129,435	49,196	35,174	3,710	31,881	31,881	17,910	129,613
June 30	155,455	85,240	40,397	24,947	2,695	31,580	31,580	13,688	80,783
July 31 3/	124,122	54,044	38,945	17,085	9,770	29,738	29,734	23,255	45,673
Aug. 31	110,310	37,441	39,645	13,345	5,036	33,324	33,325	26,200	32,304
Sept. 30	90,822	26,872	32,792	12,515	6,540	27,855	27,855	23,580	23,635
	Percent								
1960									
Sept. 30	100.0	29.3	43.0	3.9	16.7	12.0	12.0	54.8	28.3
Oct. 31	100.0	32.1	31.7	5.4	6.1	12.3	12.3	50.2	49.9
Nov. 30	100.0	37.6	16.2	7.1	5.0	9.2	9.2	46.1	69.6
Dec. 31	100.0	37.5	13.5	9.6	4.7	8.3	8.3	44.6	73.5
1961									
Jan. 31	100.0	42.5	17.4	14.9	1.8	11.6	11.6	31.0	69.2
Feb. 28	100.0	51.8	22.7	11.8	1.0	11.4	11.4	25.0	64.9
Mar. 31	100.0	52.9	25.9	12.0	3.4	12.7	12.7	22.4	58.0
Apr. 30	100.0	57.0	24.0	12.9	2.9	14.3	14.3	15.8	58.8
May 31	100.0	57.3	24.5	17.1	3.4	16.0	16.0	9.6	56.1
June 30	100.0	53.2	25.5	16.9	3.2	22.3	22.2	7.6	49.1
July 31	100.0	52.6	23.7	14.2	8.2	24.7	24.7	8.5	43.4
Aug. 31	100.0	51.1	27.9	12.3	8.8	29.9	29.9	6.7	33.4
Sept. 30	100.0	43.7	32.7	9.2	10.0	33.4	33.4	13.7	23.9
Oct. 31	100.0	38.9	33.5	9.6	8.5	34.7	34.7	16.8	23.3
Nov. 30	100.0	44.1	27.1	9.6	6.9	32.2	32.2	14.1	33.8
Dec. 31	100.0	45.6	19.8	12.6	3.8	28.1	28.1	13.7	48.3
1962									
Jan. 31	100.0	51.1	21.2	13.0	3.1	19.8	19.8	16.1	55.9
Feb. 28	100.0	54.1	25.9	12.3	1.8	18.3	18.3	15.3	54.0
Mar. 31	100.0	59.1	25.3	15.5	1.4	13.9	13.9	11.5	59.4
Apr. 30	100.0	60.3	23.4	16.8	1.8	13.9	13.9	9.0	60.9
May 31	100.0	60.4	22.9	16.4	1.7	14.9	14.9	8.3	60.5
June 29	100.0	54.8	26.0	16.1	1.7	20.3	20.3	8.8	52.0
July 31	100.0	43.5	31.4	13.8	7.9	24.0	23.9	18.7	36.8
Aug. 31	100.0	33.9	35.9	12.1	4.6	30.2	30.2	23.8	29.3
Sept. 30	100.0	29.6	36.1	13.8	7.2	30.7	30.7	25.9	26.0

1/ Reporting traders holding 200,000 bushels or more in one future.
2/ Derived by subtracting reporting traders' commitments from open contracts.
3/ Preliminary from July 31, 1962.

Table 4.--Corn: Sales and dispositions by the Commodity Credit Corporation, 1959-60, 1960-61, and 1961-62 seasons

(In millions of bushels)

Month[1/]	Season beginning October		
	1959-60	1960-61	1961-62
October	11.5	8.7	28.5
November	6.5	21.8	107.3
December	8.1	7.3	175.9
January	8.0	14.5	180.6
February	8.4	27.5	79.0
March	15.0	38.8	101.3
April	12.2	46.7	115.2
May	17.4	39.0	45.7
June	25.4	52.9	20.3
July	10.0	28.9	13.1
August	14.3	30.7	26.6
September	8.1	27.4	20.9
Total[2/]	144.9	344.2	914.4

1/ Monthly data based on weekly reports.
2/ Corn sold under Livestock Feed Program not included in total.

Source: USDA, AMS, "Grain Market News," weekly reports.

Table 5.--Corn futures: Monthly volume of trading and month-end open contracts, by futures, Chicago Board of Trade, October 1961 - September 1962

(In thousands of bushels)

Month	Future									Total
	1961 Dec.	1962 Mar.	1962 May	1962 July	1962 Sept.	1962 Dec.	1963 Mar.	1963 May	1963 July	
Volume of trading										
1961-62										
October	149,192	78,040	58,129	40,686	3,685					329,732
November	137,131	90,072	61,861	42,715	8,517					340,296
December	63,206	127,998	87,358	70,696	18,793					368,051
January		156,830	105,538	94,973	33,166	22,833				413,340
February		105,083	105,036	101,317	33,470	32,575				377,481
March		51,246	156,303	207,906	63,756	72,167				551,378
April			163,695	320,469	75,158	65,837	11,958			637,117
May			68,181	274,032	89,000	65,133	15,453			511,799
June				291,796	114,385	92,102	42,225	20,620		561,128
July				98,659	129,796	96,186	37,623	21,558		383,822
August					110,764	108,633	43,739	23,623	6,769	293,528
September					42,209	98,648	33,474	19,495	9,236	203,062
Open contracts										
1961-62										
Oct. 31	46,822	53,973	41,452	30,268	2,029					174,544
Nov. 30	25,281	67,687	51,209	39,002	6,410					189,589
Dec. 31		69,072	58,135	64,689	14,343					206,239
Jan. 31		46,597	56,316	82,524	22,797	10,426				218,660
Feb. 28		20,573	57,296	103,012	29,279	18,894				229,054
Mar. 31			58,645	120,649	40,557	32,770				252,621
Apr. 30			26,217	128,282	50,751	35,625	4,376			245,251
May 31				108,979	56,996	38,001	10,424			214,400
June 30				40,341	55,701	35,409	15,347	8,657		155,455
July 31					50,120	40,557	20,695	12,750		124,122
Aug. 31					20,969	45,165	23,523	16,896	3,757	110,310
Sept. 30						42,487	23,408	18,438	6,489	90,822

Table 6.--Corn futures: Distribution of traders and gross positions, by classification and size of position, Chicago Board of Trade, September 29, 1961

(Positions in thousands of bushels)

Size group* (1,000 bu.)	Traders net long			Traders net short			Traders even			Total		
	Number of traders	Gross positions		Number of traders	Gross positions		Number of traders	Gross positions		Number of traders	Gross positions	
		Long	Short		Long	Short		Long	Short		Long	Short
SPECULATORS												
1 - 4	269	548	17	96	6	188	33	55	55	398	609	260
5 - 49	2,093	25,032	468	1,099	787	12,761	326	4,123	4,123	3,518	29,942	17,352
50 - 199	192	16,002	1,260	119	2,429	9,841	107	10,080	10,080	418	28,511	21,181
200 - 499	25	7,850	1,695	26	2,645	7,885	27	7,407	7,407	78	17,902	16,987
500 and over	13	15,545	5,650	20	21,000	32,431	11	13,760	13,760	44	50,305	51,841
Total	2,592	64,977	9,090	1,360	26,867	63,106	504	35,425	35,425	4,456	127,269	107,621
HEDGERS												
1 - 4	11	28	2	5	0	13	0	0	0	16	28	15
5 - 49	154	2,067	38	85	85	1,554	7	120	120	246	2,272	1,712
50 - 199	21	1,725	20	48	215	5,009	2	150	150	71	2,090	5,179
200 - 499	8	2,305	260	12	170	3,851	0	0	0	20	2,475	4,111
500 and over	10	17,998	1,800	18	3,325	34,979	0	0	0	28	21,323	36,779
Total	204	24,123	2,120	168	3,795	45,406	9	270	270	381	28,188	47,796
Grand total	2,796	89,100	11,210	1,528	30,662	108,512	513	35,695	35,695	4,837	155,457	155,417

* In allocating a trader's position to a size group, the largest total long or short position in all futures is used; not the "net" of such long and short positions.

Table 7.--Corn futures: Percentage distribution of traders and gross positions, by classification and size of position, Chicago Board of Trade, September 29, 1961

(In percent)

Size group (1,000 bu.)	Traders net long			Traders net short			Traders even			Total		
	Number of traders	Gross positions		Number of traders	Gross positions		Number of traders	Gross positions		Number of traders	Gross positions	
		Long	Short		Long	Short		Long	Short		Long	Short
SPECULATORS												
1 - 4	5.5	0.4	1/	2.0	1/	0.1	0.7	1/	1/	8.2	0.4	0.1
5 - 49	43.3	16.1	0.3	22.7	0.5	8.2	6.7	2.7	2.7	72.7	19.3	11.2
50 - 199	4.0	10.3	.8	2.5	1.6	6.3	2.2	6.5	6.5	8.7	18.4	13.6
200 - 499	.5	5.0	1.1	.5	1.7	5.1	.6	4.8	4.8	1.6	11.5	11.0
500 and over	.3	10.0	3.6	.4	13.5	20.9	.2	8.8	8.8	.9	32.3	33.3
Total	53.6	41.8	5.8	28.1	17.3	40.6	10.4	22.8	22.8	92.1	81.9	69.2
HEDGERS												
1 - 4	0.2	1/	1/	0.1	0	1/	0	0	0	0.3	1/	1/
5 - 49	3.2	1.3	1/	1.8	.1	1.0	.1	.1	.1	5.1	1.5	1.1
50 - 199	.4	1.1	1/	1.0	.1	3.2	.1	.1	.1	1.5	1.3	3.3
200 - 499	.2	1.5	0.2	.2	.1	2.5	0	0	0	.4	1.6	2.7
500 and over	.2	11.6	1.2	.4	2.1	22.5	0	0	0	.6	13.7	23.7
Total	4.2	15.5	1.4	3.5	2.4	29.2	.2	.2	.2	7.9	18.1	30.8
Grand total	57.8	57.3	7.2	31.6	19.7	69.8	10.6	23.0	23.0	100.0	100.0	100.0

1/ Less than 0.05 percent.

Table 8.--Corn futures: Occupational distribution of traders, by number and class of trader, Chicago Board of Trade, September 29, 1961

(Positions in thousands of bushels)

Occupational group[1/]	Speculators			Hedgers			Total		
	Number of traders	Positions		Number of traders	Positions		Number of traders	Positions	
		Long	Short		Long	Short		Long	Short
Grain elevators, merchandisers, and exporters	79	2,997	1,454	237	15,306	30,415	316	18,303	31,869
Corn processors and refiners	15	1,265	2,630	28	9,335	8,152	43	10,600	10,782
Feed manufacturers	5	65	0	13	295	340	18	360	340
Cash grain brokers	6	410	485	4	145	0	10	555	485
Feed and seed dealers	26	261	213	15	290	15	41	551	228
Livestock feeders and dealers, and poultry producers	58	1,412	2,311	6	480	0	64	1,892	2,311
Producer cooperatives and cooperative feed mills	3	25	0	37	635	8,721	40	660	8,721
Subtotal	192	6,435	7,093	340	26,486	47,643	532	32,921	54,736
Farmers and farm managers	560	7,027	2,010	38	1,692	78	598	8,719	2,088
Ranchers	14	240	140	0	0	0	14	240	140
Dealers in agricultural products other than grain or livestock	75	1,158	1,160	0	0	0	75	1,158	1,160
Employees of cash grain merchants, elevators, processors and trade members, n.e.c.	36	418	208	0	0	0	36	418	208
Brokerage houses and employees	129	13,594	10,888	2	0	75	131	13,594	10,963
Floor traders	96	8,118	9,252	0	0	0	96	8,118	9,252
Professional speculators	40	27,525	30,590	0	0	0	40	27,525	30,590
Commodity and investment counselors	42	2,550	6,150	0	0	0	42	2,550	6,150
Doctors, dentists, nurses, pharmacists, etc.	177	3,414	2,692	0	0	0	177	3,414	2,692
Lawyers	89	1,549	580	0	0	0	89	1,549	580
Accountants and auditors	98	1,050	909	0	0	0	98	1,050	909
Chemists and engineers	220	2,448	2,150	0	0	0	220	2,448	2,150
Teachers in schools and colleges	97	1,047	1,198	0	0	0	97	1,047	1,198
Other professional occupations such as architects, contractors, social workers, etc., n.e.c.	143	2,589	1,785	0	0	0	143	2,589	1,785
Semiprofessional occupations, such as aviators, draftsmen, and laboratory technicians	77	500	467	0	0	0	77	500	467
Bank officials and employees, financiers, and capitalists	73	5,113	1,525	0	0	0	73	5,113	1,525
Manufacturers, wholesale trade proprietors, managers, food brokers, n.e.c.	308	6,286	5,082	1	10	0	309	6,296	5,082
Retail proprietors and managers: grocery, food, apparel, furniture, automobile sales and service, etc.	261	5,602	2,919	0	0	0	261	5,602	2,919
Other proprietors, managers, and officials, (n.e.c.) excluding farm	298	5,978	4,020	0	0	0	298	5,978	4,020
Salesmen and purchasing agents	206	2,823	2,161	0	0	0	206	2,823	2,161
Insurance and real estate men	177	2,666	1,642	0	0	0	177	2,666	1,642
Clerical, sales and kindred non-manual workers, such as bookkeepers, cashiers, secretaries, etc.	73	1,748	2,456	0	0	0	73	1,748	2,456
Craftsmen, foremen, electricians, machinists and kindred skilled workers in plants and factories	82	1,105	560	0	0	0	82	1,105	560
Service occupations, unskilled workers and laborers	42	217	138	0	0	0	42	217	138
Transportation, communications, and utility workers	40	256	275	0	0	0	40	256	275
Housewives	184	4,770	4,381	0	0	0	184	4,770	4,381
Students	23	170	231	0	0	0	23	170	231
Retired persons	377	7,284	2,639	0	0	0	377	7,284	2,639
Unemployed	24	1,166	767	0	0	0	24	1,166	767
Miscellaneous	203	2,423	1,553	0	0	0	203	2,423	1,553
Subtotal	4,264	120,834	100,528	41	1,702	153	4,305	122,536	100,681
Grand total	4,456	127,269	107,621	381	28,188	47,796	4,837	155,457	155,417

1/ Occupations have been grouped from specific descriptions as reported by futures commission merchants.

Table 9.--Corn futures: Distribution of traders and open contracts, by geographic areas, Chicago Board of Trade, September 29, 1961

(Positions in thousands of bushels)

State, division, and country	Speculators			Hedgers			Total		
	Number of traders	Positions		Number of traders	Positions		Number of traders	Positions	
		Long	Short		Long	Short		Long	Short
Maine	2	6	0	0	0	0	2	6	0
New Hampshire	2	20	0	0	0	0	2	20	0
Vermont	3	310	255	0	0	0	3	310	255
Massachusetts	29	698	655	0	0	0	29	698	655
Rhode Island	3	40	5	0	0	0	3	40	5
Connecticut	19	275	240	0	0	0	19	275	240
New York	371	6,825	4,832	13	4,150	1,590	384	10,975	6,422
New Jersey	75	750	1,100	1	25	0	76	775	1,100
Pennsylvania	105	2,301	1,547	5	50	150	110	2,351	1,697
North Atlantic	609	11,225	8,634	19	4,225	1,740	628	15,450	10,374
Ohio	209	4,515	1,293	20	1,972	2,725	229	6,487	4,018
Indiana	141	1,737	547	19	410	3,303	160	2,147	3,850
Illinois (excluding Chicago)	351	7,821	7,834	91	6,837	3,523	442	14,658	11,357
Chicago	310	43,029	40,051	17	5,268	14,281	327	48,297	54,332
Michigan	101	644	1,005	2	5	90	103	649	1,095
Wisconsin	41	326	352	1	25	0	42	351	352
East North Central	1,153	58,072	51,082	150	14,517	23,922	1,303	72,589	75,004
Minnesota	81	1,013	517	31	1,920	12,684	112	2,933	13,201
Iowa	289	7,203	6,718	41	608	4,807	330	7,811	11,525
Missouri	233	9,428	15,032	26	1,782	867	259	11,210	15,899
North Dakota	13	61	17	3	11	10	16	72	27
South Dakota	24	119	274	12	107	55	36	226	329
Nebraska	79	1,006	184	14	88	246	93	1,094	430
Kansas	101	1,874	952	13	500	245	114	2,374	1,197
West North Central	820	20,704	23,694	140	5,016	18,914	960	25,720	42,608
Delaware	8	285	270	0	0	0	8	285	270
Maryland	20	647	550	1	0	140	21	647	690
District of Columbia	25	467	754	0	0	0	25	467	754
Virginia	34	244	223	0	0	0	34	244	223
West Virginia	6	60	45	0	0	0	6	60	45
North Carolina	101	2,341	709	5	115	195	106	2,456	904
South Carolina	12	374	30	2	20	0	14	394	30
Georgia	73	1,012	983	2	10	150	75	1,022	1,133
Florida	154	2,134	1,806	2	125	5	156	2,259	1,811
South Atlantic	433	7,564	5,370	12	270	490	445	7,834	5,860
Kentucky	40	475	550	4	45	145	44	520	695
Tennessee	66	1,380	715	1	0	5	67	1,380	720
Alabama	129	3,172	1,282	0	0	0	129	3,172	1,282
Mississippi	31	930	275	1	100	0	32	1,030	275
Arkansas	27	295	75	1	200	0	28	495	75
Louisiana	31	742	547	2	20	315	33	762	862
Oklahoma	25	1,965	152	1	20	0	26	1,985	152
Texas	184	2,761	1,470	8	75	105	192	2,836	1,575
South Central	533	11,720	5,066	18	460	570	551	12,180	5,636
Montana	6	8	22	0	0	0	6	8	22
Idaho	6	50	5	1	5	5	7	55	10
Wyoming	5	60	10	0	0	0	5	60	10
Colorado	31	451	67	4	125	0	35	576	67
New Mexico	5	22	1	0	0	0	5	22	1
Arizona	58	1,598	930	0	0	0	58	1,598	930
Utah	4	30	165	0	0	0	4	30	165
Nevada	2	460	250	0	0	0	2	460	250
Washington	69	342	343	0	0	0	69	342	343
Oregon	24	408	491	0	0	0	24	408	491
California	525	9,108	9,742	2	20	0	527	9,128	9,742
Western	735	12,537	12,026	7	150	5	742	12,687	12,031
Hawaii	22	189	40	0	0	0	22	189	40
Puerto Rico	5	25	15	0	0	0	5	25	15
Total	4,310	122,036	105,927	346	24,638	45,641	4,656	146,674	151,568
Bahama Islands	1	1,265	1,210	0	0	0	1	1,265	1,210
Belgium	1	5	0	2	25	0	3	30	0
Brazil	22	75	280	0	0	0	22	75	280
Canada	72	1,023	164	19	1,745	1,735	91	2,768	1,899
Canary Islands	1	5	0	0	0	0	1	5	0
England	3	65	0	4	110	100	7	175	100
Formosa	1	0	10	0	0	0	1	0	10
France	1	10	0	1	90	0	2	100	0
Germany	1	35	0	0	0	0	1	35	0
Holland	2	165	5	0	0	0	2	165	5
Hong Kong	4	145	0	0	0	0	4	145	0
Italy	3	65	0	1	150	0	4	215	0
Japan	1	15	0	2	0	230	3	15	230
Lebanon	5	55	0	0	0	0	5	55	0
Mexico	6	60	10	0	0	0	6	60	10
Norway	0	0	0	1	300	0	1	300	0
Panama	0	0	0	1	100	0	1	100	0
Spain	3	205	10	0	0	0	3	205	10
Switzerland	16	1,965	0	4	1,030	90	20	2,995	90
Uruguay	1	45	0	0	0	0	1	45	0
Venezuela	2	30	5	0	0	0	2	30	5
Total	146	5,233	1,694	35	3,550	2,155	181	8,783	3,849
Grand total	4,456	127,269	107,621	381	28,188	47,796	4,837	155,457	155,417